

INITIATIVE 134

State of Washington 52nd Legislature 1992 Regular Session

By Representative People of the State of Washington

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1 AN ACT Relating to the regulation of political contributions and
2 campaign expenditures; amending RCW 42.17.095, 42.17.125, 42.17.510,
3 41.04.230, 42.17.180, 42.17.390, and 42.17.240; adding new sections to
4 chapter 42.17 RCW; creating new sections; repealing RCW 42.17.243; and
5 prescribing penalties.

2 campaign expenditures; amending RCW 42.17.095, 42.17.125, 42.17.510,

3 41.04.230, 42.17.180, 42.17.390, and 42.17.240; adding new sections to

4 chapter 42.17 RCW; creating new sections; repealing RCW 42.17.243; and

5 prescribing penalties.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

7 PART I

8 FINDINGS AND INTENT

9 NEW SECTION. **Sec. 1.** FINDINGS. The people of the state of
10 Washington find and declare that:

10 Washington find and declare that:

11 (1) The financial strength of certain individuals or organizations
12 should not permit them to exercise a disproportionate or controlling
13 influence on the election of candidates.

12 should not permit them to exercise a disproportionate or controlling

13 influence on the election of candidates.

1 (2) Rapidly increasing political campaign costs have led many
2 candidates to raise larger percentages of money from special interests
3 with a specific financial stake in matters before state government.
4 This has caused the public perception that decisions of elected
5 officials are being improperly influenced by monetary contributions.

6 (3) Candidates are raising less money in small contributions from
7 individuals and more money from special interests. This has created
8 the public perception that individuals have an insignificant role to
9 play in the political process.

10 NEW SECTION. **Sec. 2.** INTENT. By limiting campaign contributions,
11 the people intend to:

12 (1) Ensure that individuals and interest groups have fair and equal
13 opportunity to influence elective and governmental processes;

14 (2) Reduce the influence of large organizational contributors; and

15 (3) Restore public trust in governmental institutions and the
16 electoral process.

17 PART II

18 DEFINITIONS

19 NEW SECTION. **Sec. 3.** DEFINITIONS. The definitions of RCW
20 42.17.020 apply to sections 4 through 19 of this act except as modified
21 by this section. Unless the context clearly requires otherwise, the
22 definitions in this section apply throughout sections 4 through 19 of
23 this act.

24 (1) "Authorized committee" means the political committee authorized
25 by a candidate, or by the state official against whom recall charges
26 have been filed, to accept contributions or make expenditures on behalf
27 of the candidate or state official.

(2) "Bona fide political party" means:

(a) An organization that has filed a valid certificate of nomination with the secretary of state under chapter 29.24 RCW; or

(b) The governing body of the state organization of a major political party, as defined in RCW 29.01.090, which is the body authorized by the charter or bylaws of the party to exercise authority on behalf of the state party; or

(c) The county central committee or legislative district committee of a major political party.

(3) "Candidate" means an individual seeking nomination for election or seeking election to a state office. An individual is deemed to be seeking nomination for election or seeking election when the individual first:

(a) Announces publicly or files for the office;

(b) Purchases commercial advertising space or broadcast time to promote his or her candidacy;

(c) Receives contributions or makes expenditures for facilities with intent to promote his or her candidacy for the office; or

(d) Gives his or her consent to another person to take on behalf of the individual any of the actions in (b) or (c) of this subsection.

(4) "Caucus of the state legislature" means the caucus of members of a major political party in the state house of representatives or in the state senate.

(5) (a) "Contribution" includes a loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or transfer of anything of value, including personal and professional services for less than full consideration.

(b) Subject to further definition by the commission, "contribution" does not include the following:

1 (i) Interest on money deposited in a political committee's account;
2 (ii) Ordinary home hospitality;
3 (iii) A contribution received by a candidate or political committee
4 that is returned to the contributor within five business days of the
5 date on which it is received by the candidate or political committee;
6 (iv) An expenditure or contribution earmarked for voter
7 registration, for absentee ballot information, for precinct caucuses,
8 for get-out-the-vote campaigns, for precinct judges or inspectors, for
9 sample ballots, or for ballot counting, all without promotion of or
10 political advertising for individual candidates;
11 (v) A news item, feature, commentary, or editorial in a regularly
12 scheduled news medium that is of primary interest to the general
13 public, that is in a news medium controlled by a person whose primary
14 business is that news medium, and that is not controlled by a candidate
15 or political committee;
16 (vi) An expenditure by a political committee for its own internal
17 organization or fund raising without direct association with individual
18 candidates;
19 (vii) An internal political communication primarily limited to the
20 contributors to a political party organization or political action
21 committee, or the officers, management staff, and stockholders of a
22 corporation or similar enterprise, or the members of a labor
23 organization or other membership organization;
24 (viii) The rendering of personal services of the sort commonly
25 performed by volunteer campaign workers, or incidental expenses
26 personally incurred by volunteer campaign workers not in excess of
27 fifty dollars personally paid for by the worker. "Volunteer services,"
28 for the purposes of this section, means services or labor for which the
29 individual is not compensated by any person and that are performed
30 outside the individual's normal working hours; or

(ix) Legal or accounting services rendered to or on behalf of:

(A) A political party or caucus of the state legislature if the person paying for the services is the regular employer of the person rendering such services; or

(B) A candidate or an authorized committee if the person paying for the services is the regular employer of the individual rendering the services and if the services are solely for the purpose of ensuring compliance with state election or public disclosure laws.

(c) Contributions other than money or its equivalent are deemed to have a monetary value equivalent to the fair market value of the contribution.

(d) Sums paid for tickets to fund-raising events such as dinners and parties are contributions, except for the actual cost of the consumables furnished at the event.

(e) An expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a political committee, or their agents, is considered to be a contribution to such candidate or political committee.

(f) The financing by a person of the dissemination, distribution, or republication, in whole or in part, of broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or its authorized agent, is considered to be a contribution to the candidate or political committee.

(6) "Election" means a primary or a general or special election in which a candidate is on the ballot.

(7) "Election cycle" means the period beginning on the first day of December after the date of the last previous general election for the office that the candidate seeks and ending on November 30th after the next election for the office. In the case of a special election to fill a vacancy in an office, "election cycle" means the period

1 beginning on the day the vacancy occurs and ending on November 30th
2 after the special election.

3 (8) "General election" means the election that results in the
4 election of a person to a state office. It does not include a primary.

5 (9) "Immediate family" means a candidates's spouse, and any child,
6 stepchild, grandchild, parent, stepparent, grandparent, brother, half-
7 brother, sister, or half-sister of the candidate and the spouse of any
8 such person and any child, stepchild, grandchild, parent, stepparent,
9 grandparent, brother, half-brother, sister, or half-sister of the
10 candidate's spouse and the spouse of any such person.

11 (10) "Independent expenditure" means an "expenditure" as defined in
12 RCW 42.17.020 that has each of the following elements:

13 (a) It is made in support of or in opposition to a candidate for
14 office by a person who is not (i) a candidate for that office, (ii) an
15 authorized committee of that candidate for that office, (iii) a person
16 who has received the candidate's encouragement or approval to make the
17 expenditure, if the expenditure pays in whole or in part for any
18 political advertising supporting that candidate or promoting the defeat
19 of any other candidate or candidates for that office, or (iv) a person
20 with whom the candidate has collaborated for the purpose of making the
21 expenditure, if the expenditure pays in whole or in part for any
22 political advertising supporting that candidate or promoting the defeat
23 of any other candidate or candidates for that office;

24 (b) The expenditure pays in whole or in part for any political
25 advertising that either specifically names the candidate supported or
26 opposed, or clearly and beyond any doubt identifies the candidate
27 without using the candidate's name; and

28 (c) The expenditure, alone or in conjunction with another
29 expenditure or other expenditures of the same person in support of or
30 opposition to that candidate, has a value of five hundred dollars or

1 more. A series of expenditures, each of which is under five hundred
2 dollars, constitutes one independent expenditure if their cumulative
3 value is five hundred dollars or more.

4 (11)(a) "Intermediary" means an individual who transmits a
5 contribution to a candidate or committee from another person unless the
6 contribution is from the individual's employer, immediate family, or an
7 association to which the individual belongs.

8 (b) A treasurer or a candidate is not an intermediary for purpose
9 of the committee that the treasurer or candidate serves.

10 (c) A professional fund raiser is not an intermediary if the fund
11 raiser is compensated for fund-raising services at the usual and
12 customary rate.

13 (d) A volunteer hosting a fund-raising event at the individual's
14 home is not an intermediary for purposes of that event.

15 (12) "Person" includes:

16 (a) An individual;

17 (b) A partnership, limited partnership, public or private
18 corporation, or joint venture;

19 (c) A nonprofit corporation, organization, or association,
20 including but not limited to, a national, state, or local labor union
21 or collective bargaining organization and a national, state, or local
22 trade or professional association;

23 (d) A federal, state, or local governmental entity or agency,
24 however constituted;

25 (e) A candidate, committee, political committee, bona fide
26 political party, or executive committee thereof; and

27 (f) Any other organization or group of persons, however organized.

28 (13) "Primary" means the procedure for nominating a candidate to
29 state office under chapter 29.18 or 29.21 RCW or any other primary for

1 an election which uses, in large measure, the procedures established in
2 chapter 29.18 or 29.21 RCW.

3 (14) "Recall campaign" means the period of time beginning on the
4 date of the filing of recall charges under RCW 29.82.015 and ending
5 thirty days after the recall election.

6 (15) "State legislative office" means the office of a member of the
7 state house of representatives and the office of a member of the state
8 senate.

9 (16) "State office" means state legislative office or the office of
10 governor, lieutenant governor, secretary of state, attorney general,
11 commissioner of public lands, insurance commissioner, superintendent of
12 public instruction, state auditor, or state treasurer.

13 (17) "State official" means a person who holds a state office.

14 PART III
15 CONTRIBUTIONS

16 NEW SECTION. **Sec. 4.** CAMPAIGN CONTRIBUTION LIMITS. (1) No
17 person, other than a bona fide political party or a caucus of the state
18 legislature, may make contributions to a candidate for a state
19 legislative office that in the aggregate exceed five hundred dollars or
20 to a candidate for a state office other than a state legislative office
21 that in the aggregate exceed one thousand dollars for each election in
22 which the candidate is on the ballot or appears as a write-in
23 candidate. Contributions made with respect to a primary may not be
24 made after the date of the primary. Contributions made with respect to
25 a general election may not be made after the final day of the
26 applicable election cycle.

27 (2) No person, other than a bona fide political party or a caucus
28 of the state legislature, may make contributions to a state official

1 against whom recall charges have been filed, or to a political
2 committee having the expectation of making expenditures in support of
3 the recall of the state official, during a recall campaign that in the
4 aggregate exceed five hundred dollars if for a state legislative office
5 or one thousand dollars if for a state office other than a state
6 legislative office.

7 (3) (a) Notwithstanding subsection (1) of this section, no bona fide
8 political party or caucus of the state legislature may make
9 contributions to a candidate during an election cycle that in the
10 aggregate exceed (i) fifty cents multiplied by the number of eligible
11 registered voters in the jurisdiction from which the candidate is
12 elected if the contributor is a caucus of the state legislature or the
13 governing body of a state organization, or (ii) twenty-five cents
14 multiplied by the number of registered voters in the jurisdiction from
15 which the candidate is elected if the contributor is a county central
16 committee or a legislative district committee.

17 (b) No candidate may accept contributions from a county central
18 committee or a legislative district committee during an election cycle
19 that when combined with contributions from other county central
20 committees or legislative district committees would in the aggregate
21 exceed twenty-five cents times the number of registered voters in the
22 jurisdiction from which the candidate is elected.

23 (4) (a) Notwithstanding subsection (2) of this section, no bona fide
24 political party or caucus of the state legislature may make
25 contributions to a state official against whom recall charges have been
26 filed, or to a political committee having the expectation of making
27 expenditures in support of the state official, during a recall campaign
28 that in the aggregate exceed (i) fifty cents multiplied by the number
29 of eligible registered voters in the jurisdiction entitled to recall
30 the state official if the contributor is a caucus of the state

1 legislature of the governing body of a state organization, or (ii)
2 twenty-five cents multiplied by the number of registered voters in the
3 jurisdiction from which the candidate is elected if the contributor is
4 a county central committee or a legislative district committee.

5 (b) No state official against whom recall charges have been filed,
6 no authorized committee of the official, and no political committee
7 having the expectation of making expenditures in support of the recall
8 of a state official may accept contributions from a county central
9 committee or a legislative district committee or a legislative district
10 committee during an election cycle that when combined with
11 contributions from other county central committees or legislative
12 district committees would in the aggregate exceed twenty-five cents
13 multiplied by the number of registered voters in the jurisdiction from
14 which the candidate is elected.

15 (5) Notwithstanding subsections (1) through (4) of this section, no
16 person other than an individual, bona fide political party, or caucus
17 of the state legislature may make contributions reportable under this
18 chapter to a caucus of the state legislature that in the aggregate
19 exceed five hundred dollars in a calendar year or to a bona fide
20 political party that in the aggregate exceed two thousand five hundred
21 dollars in a calendar year. This subsection does not apply to loans
22 made in the ordinary course of business.

23 (6) For the purposes of sections 4 through 19 of this act, a
24 contribution to the authorized political committee of a candidate, or
25 of a state official against whom recall charges have been filed, is
26 considered to be a contribution to the candidate or state official.

27 (7) A contribution received within the twelve-month period after a
28 recall election concerning a state office is considered to be a
29 contribution during that recall campaign if the contribution is used to

1 pay a debt or obligation incurred to influence the outcome of that
2 recall campaign.

3 (8) The contributions allowed by subsection (2) of this section are
4 in addition to those allowed by subsection (1) of this section, and the
5 contributions allowed by subsection (4) of this section are in addition
6 to those allowed by subsection (3) of this section.

7 (9) Sections 4 through 19 of this act apply to a special election
8 conducted to fill a vacancy in a state office. However, the
9 contributions made to a candidate or received by a candidate for a
10 primary or special election conducted to fill such a vacancy shall not
11 be counted toward any of the limitations that apply to the candidate or
12 to contributions made to the candidate for any other primary or
13 election.

14 (10) Notwithstanding the other subsections of this section, no
15 corporation or business entity not doing business in Washington state,
16 no labor union with fewer than ten members who reside in Washington
17 state, and no political committee that has not received contributions
18 of ten dollars or more from at least ten persons registered to vote in
19 Washington state during the preceding one hundred eighty days may make
20 contributions reportable under this chapter to a candidate, to a state
21 official against whom recall charges have been filed, or to a political
22 committee having the expectation of making expenditures in support of
23 the recall of the official. This subsection does not apply to loans
24 made in the ordinary course of business.

25 (11) Notwithstanding the other subsections of this section, no
26 county central committee or legislative district committee may make
27 contributions reportable under this chapter to a candidate, state
28 official against whom recall charges have been filed, or political
29 committee having the expectation of making expenditures in support of
30 the recall of a state official if the county central committee or

1 legislative district committee is outside of the jurisdiction entitled
2 to elect the candidate or recall the state official.

3 (12) No person may accept contributions that exceed the
4 contribution limitations provided in this section.

5 NEW SECTION. **Sec. 5.** ATTRIBUTION AND AGGREGATION OF FAMILY
6 CONTRIBUTIONS. (1) Contributions by a husband and wife are considered
7 separate contributions.

8 (2) Contributions by unemancipated children under eighteen years of
9 age are considered contributions by their parents and are attributed
10 proportionately to each parent. Fifty percent of the contributions are
11 attributed to each parent or, in the case of a single custodial parent,
12 the total amount is attributed to the parent.

13 NEW SECTION. **Sec. 6.** ATTRIBUTION OF CONTRIBUTIONS BY CONTROLLED
14 ENTITIES. For purposes of this chapter:

15 (1) A contribution by a political committee with funds that have
16 all been contributed by one person who exercises exclusive control over
17 the distribution of the funds of the political committee is a
18 contribution by the controlling person.

19 (2) Two or more entities are treated as a single entity if one of
20 the two or more entities is a subsidiary, branch, or department of a
21 corporation or a local unit, branch, or affiliate of a trade
22 association, labor union, or collective bargaining association. All
23 contributions made by a person or political committee whose
24 contribution or expenditure activity is financed, maintained, or
25 controlled by a trade association, labor union, collective bargaining
26 organization, or the local unit of a trade association, labor union, or
27 collective bargaining organization are considered made by the same
28 person or entity.

NEW SECTION.

Sec. 7.

ATTRIBUTION OF CONTRIBUTIONS.

All

contributions made by a person or entity, either directly or indirectly, to a candidate, to a state official against whom recall charges have been filed, or to a political committee, are considered to be contributions from that person or entity to the candidate, state official, or political committee, as are contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to the candidate, state official, or political committee. For the purposes of this section, "earmarked" means a designation, instruction, or encumbrance, whether direct or indirect, expressed or implied, or oral or written, that is intended to result in or does result in all or any part of a contribution being made to a certain candidate or state official. If a conduit or intermediary exercises any direction or control over the choice of the recipient candidate or state official, the contribution is considered to be by both the original contributor and the conduit or intermediary.

NEW SECTION.

Sec. 8.

LIMITATIONS ON EMPLOYERS OR LABOR

ORGANIZATIONS. (1) No employer or labor organization may increase the salary of an officer or employee, or give an emolument to an officer, employee, or other person or entity, with the intention that the increase in salary, or the emolument, or a part of it, be contributed or spent to support or oppose a candidate, state official against whom recall charges have been filed, political party, or political committee.

(2) No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee.

(3) No employer or other person or entity responsible for the disbursement of funds in payment of wages or salaries may withhold or divert a portion of an employee's wages or salaries for contributions to political committees or for use as political contributions except upon the written request of the employee. The request must be made on a form prescribed by the commission informing the employee of the prohibition against employer and labor organization discrimination described in subsection (2) of this section. The request is valid for no more than twelve months from the date it is made by the employee.

(4) Each person or entity who withholds contributions under subsection (3) of this section shall maintain open for public inspection for a period of no less than three years, during normal business hours, documents and books of accounts that shall include a copy of each employee's request, the amounts and dates funds were actually withheld, and the amounts and dates funds were transferred to a political committee. Copies of such information shall be delivered to the commission upon request.

NEW SECTION. **Sec. 9.** CHANGING MONETARY LIMITS. At the beginning of each even-numbered calendar year, the commission shall increase or decrease all dollar amounts in this chapter based on changes in economic conditions as reflected in the inflationary index used by the commission under RCW 42.17.370. The new dollar amounts established by the commission under this section shall be rounded off by the commission to amounts as judged most convenient for public understanding and so as to be within ten percent of the target amount equal to the base amount provided in this chapter multiplied by the increase in the inflationary index since the effective date of this act.

1 NEW SECTION. **Sec. 10.** CONTRIBUTIONS FROM BEFORE EFFECTIVE DATE OF
2 ACT. Contributions made and received before the effective date of this
3 act are considered to be contributions under sections 4 through 19 of
4 this act. Monetary contributions that exceed the contribution
5 limitations and that have not been spent by the recipient of the
6 contribution by the effective date of this act must be disposed of in
7 accordance with RCW 42.17.095.

8 NEW SECTION. **Sec. 11.** TIME LIMIT FOR STATE OFFICIAL TO SOLICIT OR
9 ACCEPT CONTRIBUTIONS. During the period beginning on the thirtieth day
10 before the date a regular legislative session convenes and continuing
11 thirty days past the date of final adjournment, and during the period
12 beginning on the date a special legislative session convenes and
13 continuing through the date that session adjourns, no state official or
14 a person employed by or acting on behalf of a state official or state
15 legislator may solicit or accept contributions to a public office fund,
16 to a candidate or authorized committee, or to retire a campaign debt.

17 NEW SECTION. **Sec. 12.** RESTRICTION ON LOANS. (1) A loan is
18 considered to be a contribution from the maker and the guarantor of the
19 loan and is subject to the contribution limitations of this chapter.

20 (2) A loan to a candidate or the candidate committee must be by
21 written agreement.

22 (3) The proceeds of a loan made to a candidate:

23 (a) By a commercial lending institution;

24 (b) Made in the regular course of business;

25 (c) On the same terms ordinarily available to members of the
26 public; and

27 (d) That is secured or guaranteed,

28 are not subject to the contribution limits of this chapter.

1 NEW SECTION. **Sec. 13.** CONTRIBUTIONS ON BEHALF OF ANOTHER. (1) A

2 person, other than an individual, may not be an intermediary or an
3 agent for a contribution.

4 (2) An individual may not make a contribution on behalf of another
5 person or entity, or while acting as the intermediary or agent of
6 another person or entity, without disclosing to the recipient of the
7 contribution both his or her full name, street address, occupation,
8 name of employer, if any, or place of business if self-employed, and
9 the same information for each contributor for whom the individual
10 serves as intermediary or agent.

11 NEW SECTION. **Sec. 14.** CERTAIN CONTRIBUTIONS REQUIRED TO BE BY

12 WRITTEN INSTRUMENT. (1) An individual may not make a contribution of
13 more than fifty dollars, other than an in-kind contribution, except by
14 a written instrument containing the name of the donor and the name of
15 the payee.

16 (2) A committee may not make a contribution, other than in-kind,
17 except by a written instrument containing the name of the donor and the
18 name of the payee.

19 NEW SECTION. **Sec. 15.** SOLICITATION OF CONTRIBUTIONS BY GOVERNMENT

20 EMPLOYEES. (1) No state official or state official's agent may
21 knowingly solicit, directly or indirectly, a contribution from an
22 employee in the state official's agency.

23 (2) No state official or state employee may provide an advantage or
24 disadvantage to an employee or applicant for employment in the
25 classified civil service concerning the applicant's or employee's:

26 (a) Employment;

27 (b) Conditions of employment; or

28 (c) Application for employment,

1 based on the employee's or applicant's contribution or promise to
2 contribute or failure to make a contribution or contribute to a
3 political party or committee.

4 NEW SECTION. **Sec. 16.** AGENCY SHOP FEES AS CONTRIBUTIONS. A labor
5 organization may not use agency shop fees paid by an individual who is
6 not a member of the organization to make contributions or expenditures
7 to influence an election or to operate a political committee, unless
8 affirmatively authorized by the individual.

9 NEW SECTION. **Sec. 17.** SOLICITATION FOR ENDORSEMENT FEES. A
10 person or entity may not solicit from a candidate, committee, political
11 party, or other person or entity money or other property as a condition
12 or consideration for an endorsement, article, or other communication in
13 the news media promoting or opposing a candidate, committee, or
14 political party.

15 NEW SECTION. **Sec. 18.** REIMBURSEMENT FOR CONTRIBUTIONS. A person
16 or entity may not, directly or indirectly, reimburse another person or
17 entity for a contribution to a candidate, committee, or political
18 party.

19 NEW SECTION. **Sec. 19.** PROHIBITION ON USE OF CONTRIBUTIONS FOR A
20 DIFFERENT OFFICE. (1) Except as provided in subsection (2) of this
21 section, a candidate committee may not use or permit the use of
22 contributions solicited for or received by the candidate committee to
23 further the candidacy of the individual for an office other than the
24 office designated on the statement of organization. A contribution
25 solicited for or received on behalf of the candidate is considered
26 solicited or received for the candidacy for which the individual is

1 then a candidate if the contribution is solicited or received before
2 the general elections for which the candidate is a nominee or is
3 unopposed.

4 (2) With the written approval of the contributor, a candidate
5 committee may use or permit the use of contributions solicited for or
6 received by the candidate committee from that contributor to further
7 the candidacy of the individual for an office other than the office
8 designated on the statement of organization.

9 **Sec. 20.** TRANSFER OF FUNDS--USE OF FUNDS FOR OTHER OFFICE
10 ELIMINATED. RCW 42.17.095 and 1982 c 147 s 8 are each amended to read
11 as follows:

12 The surplus funds of a candidate, or of a political committee
13 supporting or opposing a candidate, may only be disposed of in any one
14 or more of the following ways:

15 (1) Return the surplus to a contributor in an amount not to exceed
16 that contributor's original contribution;

17 (2) Transfer the surplus to the candidate's personal account as
18 reimbursement for lost earnings incurred as a result of that
19 candidate's election campaign. Such lost earnings shall be verifiable
20 as unpaid salary or, when the candidate is not salaried, as an amount
21 not to exceed income received by the candidate for services rendered
22 during an appropriate, corresponding time period. All lost earnings
23 incurred shall be documented and a record thereof shall be maintained
24 by the candidate or the candidate's political committee. The committee
25 shall include a copy of such record when its expenditure for such
26 reimbursement is reported pursuant to RCW 42.17.090;

27 (3) Transfer the surplus to (~~one or more candidates or to~~) a
28 political (~~committee or~~) party or to a caucus of the state
29 legislature;

(4) Donate the surplus to a charitable organization registered in accordance with chapter 19.09 RCW;

(5) Transmit the surplus to the state treasurer for deposit in the general fund; or

(6) Hold the surplus in the campaign depository or depositories designated in accordance with RCW 42.17.050 for possible use in a future election campaign(~~(, for political activity, for community activity, or for nonreimbursed public office related expenses)~~) for the same office last sought by the candidate and report any such disposition in accordance with RCW 42.17.090: PROVIDED, That if the candidate subsequently announces or publicly files for office, information as appropriate is reported to the commission in accordance with RCW 42.17.040 through 42.17.090. If a subsequent office is not sought the surplus held shall be disposed of in accordance with the requirements of this section.

(7) No candidate or authorized committee may transfer funds to any other candidate or other political committee.

Sec. 21. CANDIDATE PERSONAL FUND LOANS LIMITED. RCW 42.17.125 and 1989 c 280 s 12 are each amended to read as follows:

Contributions received and reported in accordance with RCW 42.17.060 through 42.17.090 may only be transferred to the personal account of a candidate, or of a treasurer or other individual or expended for such individual's personal use under the following circumstances:

(1) Reimbursement for or loans to cover lost earnings incurred as a result of campaigning or services performed for the committee. Such lost earnings shall be verifiable as unpaid salary, or when the individual is not salaried, as an amount not to exceed income received by the individual for services rendered during an appropriate,

1 corresponding time period. All lost earnings incurred shall be
2 documented and a record thereof shall be maintained by the individual
3 or the individual's political committee. The committee shall include
4 a copy of such record when its expenditure for such reimbursement is
5 reported pursuant to RCW 42.17.090.

6 (2) Reimbursement for direct out-of-pocket election campaign and
7 postelection campaign related expenses made by the individual. To
8 receive reimbursement from the political committee, the individual
9 shall provide the committee with written documentation as to the
10 amount, date, and description of each expense, and the committee shall
11 include a copy of such information when its expenditure for such
12 reimbursement is reported pursuant to RCW 42.17.090.

13 (3) Repayment of loans made by the individual to political
14 committees, which repayment shall be reported pursuant to RCW
15 42.17.090. However, contributions may not be used to reimburse a
16 candidate for loans totaling more than three thousand dollars made by
17 the candidate to the candidate's own authorized committee or campaign.

18 PART IV

19 INDEPENDENT EXPENDITURES

20 **Sec. 22.** INDEPENDENT EXPENDITURE ADVERTISING DISCLOSURE. RCW
21 42.17.510 and 1984 c 216 s 1 are each amended to read as follows:

22 (1) All written political advertising, whether relating to
23 candidates or ballot propositions, shall include the sponsor's name and
24 address. All radio and television political advertising, whether
25 relating to candidates or ballot propositions, shall include the
26 sponsor's name. The use of an assumed name shall be unlawful. The
27 party with which a candidate files shall be clearly identified in
28 political advertising for partisan office.

1 (2) In addition to the materials required by subsection (1) of this
2 section, all political advertising undertaken as an independent
3 expenditure by a person or entity other than a party organization must
4 include the following statement on the communication "NOTICE TO VOTERS
5 (Required by law): This advertisement is not authorized or approved by
6 any candidate. It is paid for by (name, address, city, state)." If
7 the advertisement is undertaken by a nonindividual, then the following
8 notation must also be included: "Top Five Contributors," followed by
9 a listing of the names of the five persons or entities making the
10 largest contributions reportable under this chapter during the twelve-
11 month period before the date of the advertisement.

12 (3) The statements and listings of contributors required by
13 subsections (1) and (2) of this section shall:

14 (a) Appear on each page or fold of the written communication in at
15 least ten-point type, or in type at least ten percent of the largest
16 size type used in a written communication directed at more than one
17 voter, such as a billboard or poster, whichever is larger;

18 (b) Not be subject to the half-tone or screening process;

19 (c) Be in a printed or drawn box set apart from any other printed
20 matter; and

21 (d) Be clearly spoken on any broadcast advertisement.

22 (4) Political yard signs are exempt from the requirement of
23 subsections (1) and (2) of this section that the name and address of
24 the sponsor of political advertising be listed on the advertising. In
25 addition, the public disclosure commission shall, by rule, exempt from
26 the identification requirements of subsections (1) and (2) of this
27 section forms of political advertising such as campaign buttons,
28 balloons, pens, pencils, sky-writing, inscriptions, and other forms of
29 advertising where identification is impractical.

1 mailing mailed within sixty days after the end of a regular legislative
2 session of identical newsletters to constituents are permitted. A
3 violation of this section constitutes use of the facilities of a public
4 office for the purpose of assisting a campaign under RCW 42.17.130.

5 The house of representatives and senate shall specifically limit
6 expenditures per member for the total cost of mailings, including but
7 not limited to production costs, printing costs, and postage.

8 **Sec. 26.** STATE PAYROLL POLITICAL CHECK-OFF ELIMINATED. RCW
9 41.04.230 and 1988 c 107 s 19 are each amended to read as follows:

10 Any official of the state authorized to disburse funds in payment
11 of salaries and wages of public officers or employees is authorized,
12 upon written request of the officer or employee, to deduct from the
13 salaries or wages of the officers or employees, the amount or amounts
14 of subscription payments, premiums, contributions, or continuation
15 thereof, for payment of the following:

16 (1) Credit union deductions: PROVIDED, That the credit union is
17 organized solely for public employees: AND PROVIDED FURTHER, That
18 twenty-five or more employees of a single state agency or a total of
19 one hundred or more state employees of several agencies have authorized
20 such a deduction for payment to the same credit union.

21 (2) Parking fee deductions: PROVIDED, That payment is made for
22 parking facilities furnished by the agency or by the department of
23 general administration.

24 (3) U.S. savings bond deductions: PROVIDED, That a person within
25 the particular agency shall be appointed to act as trustee. The
26 trustee will receive all contributions; purchase and deliver all bond
27 certificates; and keep such records and furnish such bond or security
28 as will render full accountability for all bond contributions.

1 (4) Board, lodging or uniform deductions when such board, lodging
2 and uniforms are furnished by the state, or deductions for academic
3 tuitions or fees or scholarship contributions payable to the employing
4 institution.

5 (5) Dues and other fees deductions: PROVIDED, That the deduction
6 is for payment of membership dues to any professional organization
7 formed primarily for public employees or college and university
8 professors: AND PROVIDED, FURTHER, That twenty-five or more employees
9 of a single state agency, or a total of one hundred or more state
10 employees of several agencies have authorized such a deduction for
11 payment to the same professional organization.

12 (6) Labor or employee organization dues may be deducted in the
13 event that a payroll deduction is not provided under a collective
14 bargaining agreement under the provisions of RCW 41.06.150: PROVIDED,
15 That twenty-five or more officers or employees of a single agency, or
16 a total of one hundred or more officers or employees of several
17 agencies have authorized such a deduction for payment to the same labor
18 or employee organization: PROVIDED, FURTHER, That labor or employee
19 organizations with five hundred or more members in state government may
20 have payroll deduction for employee benefit programs.

21 ~~(7) ((Voluntary deductions for political committees duly registered~~
22 ~~with the public disclosure commission and/or the federal election~~
23 ~~commission: PROVIDED, That twenty-five or more officers or employees~~
24 ~~of a single agency or a total of one hundred or more officers or~~
25 ~~employees of several agencies have authorized such a deduction for~~
26 ~~payment to the same political committee.~~

27 ~~——(8))~~) Insurance contributions to the authority for payment of
28 premiums under contracts authorized by the state health care authority.

29 Deductions from salaries and wages of public officers and employees
30 other than those enumerated in this section or by other law, may be

1 authorized by the director of financial management for purposes clearly
2 related to state employment or goals and objectives of the agency and
3 for plans authorized by the state health care authority.

4 The authority to make deductions from the salaries and wages of
5 public officers and employees as provided for in this section shall be
6 in addition to such other authority as may be provided by law:
7 PROVIDED, That the state or any department, division, or separate
8 agency of the state shall not be liable to any insurance carrier or
9 contractor for the failure to make or transmit any such deduction.

10 PART VI

11 POLITICAL EXPENDITURE AND CONTRIBUTION REPORTING

12 **Sec. 27.** INDEPENDENT EXPENDITURE ANNUAL REPORTING. RCW 42.17.180
13 and 1990 c 139 s 4 are each amended to read as follows:

14 (1) Every employer of a lobbyist registered under this chapter
15 during the preceding calendar year and every person other than an
16 individual that made contributions aggregating to more than ten
17 thousand dollars or independent expenditures aggregating to more than
18 five hundred dollars during the preceding calendar year shall file with
19 the commission on or before (~~(March 31st)~~) the last day of February of
20 each year a statement disclosing for the preceding calendar year the
21 following information:

22 (a) The name of each state elected official and the name of each
23 candidate for state office who was elected to the office and any member
24 of the immediate family of those persons to whom the (~~employer~~)
25 person reporting has paid any compensation in the amount of five
26 hundred dollars or more during the preceding calendar year for personal
27 employment or professional services, including professional services
28 rendered by a corporation, partnership, joint venture, association,

1 union, or other entity in which the person holds any office,
2 directorship, or any general partnership interest, or an ownership
3 interest of ten percent or more, the value of the compensation in
4 accordance with the reporting provisions set out in RCW 42.17.241(2),
5 and the consideration given or performed in exchange for the
6 compensation.

7 (b) The name of each state elected official, successful candidate
8 for state office, or members of his immediate family to whom the
9 (~~lobbyist employer~~) person reporting made expenditures, directly or
10 indirectly, either through a lobbyist or otherwise, the amount of the
11 expenditures and the purpose for the expenditures. For the purposes of
12 this subsection, the term expenditure shall not include any expenditure
13 made by the employer in the ordinary course of business if the
14 expenditure is not made for the purpose of influencing, honoring, or
15 benefiting the elected official, successful candidate, or member of his
16 immediate family, as an elected official or candidate.

17 (c) The total expenditures made by the (~~employer~~) person
18 reporting for lobbying purposes, whether through or on behalf of a
19 registered lobbyist or otherwise.

20 (d) All contributions made to a (~~candidate for state office, to~~
21 ~~a~~) political committee supporting or opposing a candidate for state
22 office, or to a political committee supporting or opposing a state-wide
23 ballot proposition. Such contributions shall be identified by the name
24 and the address of the recipient and the aggregate amount contributed
25 to each such recipient.

26 (e) The name and address of each registered lobbyist employed by
27 the (~~employer~~) person reporting and the total expenditures made by
28 (~~the employer~~) such person for each such lobbyist for lobbying
29 purposes.

1 (f) The names, offices sought, and party affiliations of candidates
2 for state offices supported or opposed by independent expenditures of
3 the person reporting and the amount of each such expenditure.

4 (g) The identifying proposition number and a brief description of
5 any state-wide ballot proposition supported or opposed by expenditures
6 not reported under (d) of this subsection and the amount of each such
7 expenditure.

8 (h) Such other information as the commission prescribes by rule.

9 (2) (a) Except as provided in (b) of this subsection, an employer of
10 a lobbyist registered under this chapter shall file a special report
11 with the commission if the employer makes a contribution or
12 contributions aggregating more than one hundred dollars in a calendar
13 month to any one of the following: A candidate, elected official,
14 officer or employee of an agency, or political committee. The report
15 shall identify the date and amount of each such contribution and the
16 name of the candidate, elected official, agency officer or employee, or
17 political committee receiving the contribution or to be benefited by
18 the contribution. The report shall be filed on a form prescribed by
19 the commission and shall be filed within fifteen days after the last
20 day of the calendar month during which the contribution was made.

21 (b) The provisions of (a) of this subsection do not apply to a
22 contribution which is made through a registered lobbyist and reportable
23 under RCW 42.17.170.

PART VII

PENALTIES

Sec. 28. PENALTIES. RCW 42.17.390 and 1973 c 1 s 39 are each amended to read as follows:

~~((1))~~ One or more of the following civil remedies and sanctions may be imposed by court order in addition to any other remedies provided by law:

~~((a))~~ (1) If the court finds that the violation of any provision of this chapter by any candidate or political committee probably affected the outcome of any election, the result of said election may be held void and a special election held within sixty days of such finding. Any action to void an election shall be commenced within one year of the date of the election in question. It is intended that this remedy be imposed freely in all appropriate cases to protect the right of the electorate to an informed and knowledgeable vote.

~~((b))~~ (2) If any lobbyist or sponsor of any grass roots lobbying campaign violates any of the provisions of this chapter, his registration may be revoked or suspended and he may be enjoined from receiving compensation or making expenditures for lobbying: PROVIDED, HOWEVER, That imposition of such sanction shall not excuse said lobbyist from filing statements and reports required by this chapter.

~~((c))~~ (3) Any person who violates any of the provisions of this chapter may be subject to a civil penalty of not more than ten thousand dollars for each such violation. However, a person or entity who violates section 4 of this act may be subject to a civil penalty of ten thousand dollars or three times the amount of the contribution illegally made or accepted, whichever is greater.

~~((d))~~ (4) Any person who fails to file a properly completed statement or report within the time required by this chapter may be

1 subject to a civil penalty of ten dollars per day for each day each
2 such delinquency continues.

3 ~~((+e))~~ (5) Any person who fails to report a contribution or
4 expenditure may be subject to a civil penalty equivalent to the amount
5 he failed to report.

6 ~~((+f))~~ (6) The court may enjoin any person to prevent the doing of
7 any act herein prohibited, or to compel the performance of any act
8 required herein.

9 PART VIII

10 PUBLIC DISCLOSURE COMMISSION

11 NEW SECTION. **Sec. 29.** COMMISSION AUDITS. The commission shall
12 conduct a sufficient number of audits and field investigations so as to
13 provide a statistically valid finding regarding the degree of
14 compliance with the provisions of this chapter by all required filers.

15 PART IX

16 GIFTS

17 NEW SECTION. **Sec. 30.** DEFINITIONS. Unless the context clearly
18 requires otherwise, the definitions in this section apply throughout
19 this chapter.

20 (1) "Benefit" means a commercial, proprietary, financial, economic,
21 or monetary advantage, or the avoidance of a commercial, proprietary,
22 financial, economic, or monetary disadvantage.

23 (2) "Gift" means a rendering of money, property, services,
24 discount, loan forgiveness, payment of indebtedness, reimbursements
25 from or payments by persons, other than the state of Washington or an
26 agency or political subdivision thereof, for travel or anything else of

1 value in excess of fifty dollars in return for which legal
2 consideration of equal or greater value is not given and received but
3 does not include:

4 (a) A contribution that is required to be reported under RCW
5 42.17.090 or 42.17.243;

6 (b) Informational material that is transferred for the purpose of
7 informing the recipient about matters pertaining to official agency
8 business, and that is not intended to financially benefit that
9 recipient;

10 (c) A symbolic presentation that is not intended to financially
11 benefit the recipient;

12 (d) An honorarium that is required to be reported under this
13 chapter;

14 (e) Hosting in the form of entertainment, meals, or refreshments,
15 the value of which does not exceed fifty dollars, furnished in
16 connection with official appearances, official ceremonies, and
17 occasions where official agency business is discussed;

18 (f) Gifts that are not used and that, within thirty days after
19 receipt, are returned to the donor or delivered to a charitable
20 organization without being claimed as a charitable contribution for tax
21 purposes;

22 (g) Intrafamily gifts; or

23 (h) Gifts received in the normal course of private business or
24 social interaction that are not related to public policy decisions or
25 agency actions.

26 **Sec. 31.** PUBLIC OFFICIAL ANNUAL REPORTING OF "GIFTS." RCW
27 42.17.240 and 1989 c 158 s 1 are each amended to read as follows:

28 (1) Every elected official and every executive state officer shall
29 after January 1st and before April 15th of each year file with the

1 commission a statement of financial affairs for the preceding calendar
2 year. However, any local elected official whose term of office expires
3 immediately after December 31st shall file the statement required to be
4 filed by this section for the year that ended on that December 31st.
5 In addition to and in conjunction with the statement of financial
6 affairs, every official and officer shall file a statement describing
7 any gifts received during the preceding calendar year.

8 (2) Every candidate shall within two weeks of becoming a candidate
9 file with the commission a statement of financial affairs for the
10 preceding twelve months.

11 (3) Every person appointed to a vacancy in an elective office or
12 executive state officer position shall within two weeks of being so
13 appointed file with the commission a statement of financial affairs for
14 the preceding twelve months.

15 (4) A statement of a candidate or appointee filed during the period
16 from January 1st to April 15th shall cover the period from January 1st
17 of the preceding calendar year to the time of candidacy or appointment
18 if the filing of the statement would relieve the individual of a prior
19 obligation to file a statement covering the entire preceding calendar
20 year.

21 (5) No individual may be required to file more than once in any
22 calendar year.

23 (6) Each statement of financial affairs filed under this section
24 shall be sworn as to its truth and accuracy.

25 (7) For the purposes of this section, the term "executive state
26 officer" includes those listed in RCW 42.17.2401.

27 (8) This section does not apply to incumbents or candidates for a
28 federal office or the office of precinct committee officer.

